



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal No. 15-44)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 15-44 with attached Policy Justification.

Dated: February 8, 2016.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

DEC 16 2015

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 15-44, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$120 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J.W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification



Transmittal No. 15-44

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Taipei Economic and Cultural Representative Office in the United States

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0million
Other	<u>\$ 120million</u>
TOTAL	\$ 120million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: Follow-on life cycle support to maintain the Multifunctional Information Distribution Systems Low Volume Terminals (MIDS/LVT-1) and Joint Tactical Information Distribution Systems (JTIDS). The support will include spare and repair parts, support equipment, repair and return, publications and technical documentation, personnel training and training equipment, software and hardware updates, maintenance of a continental United States (CONUS) lab, U.S. Government and contracting engineering, logistics, and technical support services, and other related elements of program and logistics support.

(iv) Military Department: Navy (GOS)

(v) Prior Related Cases, if any:

FMS Case GNU-\$290M- 13JUL10

FMS Case GMK-\$277M-10JAN03

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None

(viii) Date Report Delivered to Congress: 16 December 2015

*as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States- Follow-On Support

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of follow-on life cycle support to maintain the Multifunctional Information Distribution Systems Low Volume Terminals (MIDS/LVT-1) and Joint Tactical Information Distribution Systems (JTIDS) previously procured. The support will include spare and repair parts, support equipment, repair and return, publications and technical documentation, personnel training and training equipment, software and hardware updates, maintenance of a continental United States lab, U.S. Government and contracting engineering, logistics, and technical support services, and other related elements of program and logistics support. The estimated value is \$120 million.

This sale is consistent with United States law and policy as expressed in Public Law 96-8.

This proposed sale serves U.S. national, economic, and security interests by supporting the recipient's continuing efforts to modernize its armed forces and enhance its defensive capability. The proposed sale will help improve the security of the recipient and assist in maintaining political stability, military balance, and economic progress in the region.

The proposed sale will enhance the recipient's operational readiness and maintenance of its existing systems. The support will improve and integrate the recipient's information flow and display of tactical aircraft, surface ships, and ground stations. The recipient will have no difficulty absorbing this support and equipment into its inventory.

The proposed sale of this equipment and support will not significantly alter the basic military balance in the region.

The principal contractor will be selected through a competitive procurement conducted by the U.S. Government in accordance with the Federal Acquisition Regulation. The purchaser normally requests industrial cooperation at forty percent, but at this time there are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require multiple trips to the recipient involving U.S. Government and contractor representatives to participate in training, program management, and technical reviews.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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